Executional Challenges We Are Facing Today Are In Reality Laying The Foundations For Our Next Decade Of Growth

Galaxy Surfactants Limited – Q3FY22 Results

9MFY22 Consolidated Performance:

- Total volume increased by 2.0% for 9MFY22, on a YoY basis
- Total Revenue (including other income) stood at Rs. 2,644.1 Cr, a YoY growth of 31.6% led by an increase in realizations owing to rising feedstock prices and better sales mix
- EBITDA stood at Rs. 267.1 Cr, YoY decline of 21.4%; primarily due to volatility in feedstock prices, unavailability of critical feedstocks, increased lead time caused by supply-side constraints. Further, the **export incentive realized in Q3FY21 to the tune of Rs.14 crore was not realized this quarter.**
- PAT stood at Rs. 164.4 Cr, YoY decline of 26.4%

Galaxy Surfactants Limited, a leading manufacturer of performance surfactants and specialty care products with over 210 product grades used in the Home and Personal Care industry, has announced its unaudited financial results for the quarter and nine months ended 31st December 2021.

Commenting on the performance Mr. U. Shekhar, Managing Director, Galaxy Surfactants Limited said,

"The supply-driven volatility that impacted our Q-2 performance continued in Q-3. Rising input costs along with supply chain constraints, be it in terms of on-time container availability or port congestions severely impinged our ability to service our customers. While Volumes have remained flat Y-O-Y, the decline in EBITDA/MT impacted our overall performance significantly. Both these factors need to be understood in the Global Context.

Rising feedstock prices combined with availability issues and higher lead times impacted our operations. This when combined with the volatility we have been experiencing in the export markets on account of on-time availability of containers and rising freight costs have proved to be the worst possible mix. This has not only impacted our ability to service the underlying demand but also led to significantly higher cost of operations. This, we believe, will continue till H-1 FY 22-23.

Amidst the gloom, India has been the bright spot for us. Structural uptick in volumes is clearly visible with the current volumes being nearly 10% higher than the pre-COVID average. We have begun operationalizing our new specialty CAPEXs. These should become fully operational by April 1st, 2022.

While the external scenario remains extremely uncertain, internally we are taking the necessary steps to enhance our performance, stability, and delivery. To conclude, we at Galaxy strongly believe the executional challenges we are facing today are in reality laying the foundations for our next decade of growth. While the last two quarters have been challenging, we believe the worst is behind us and we should see better quarters going ahead."

Performance Highlights:

Galaxy Surfactants Limited (Consolidated Results)						
Particulars (Rs. Cr)	**Q3FY22**	**Q3FY21**	**YoY%**	**9MFY22**	**9MFY21**	**YoY%**
Total Revenue*	930.9	677.7	37.3%	2,644.1	2,008.8	31.6%
EBITDA*	78.2	122.5	-36.2%	267.1	339.7	-21.4%
PAT	45.6	85.2	-46.5%	164.4	223.5	-26.4%

*Includes other income

Galaxy Surfactants Limited (Volume Break up)		
Particulars	**YoY Growth % (Q3FY22 vs Q3FY21)**	**YoY Growth % (9MFY22 vs 9MFY21)**
Sales Volume	**-0.4%**	**2.0%**
ROW	2.5%	6.7%
India	6.9%	11.4%
AMET	-9.2%	-9.6%

Q3FY22 Performance

- Total volumes stood at 58,027 MT for Q3FY22 as against 58,238 MT in Q3FY21, down by 0.4% YoY
    - ROW markets grew by 2.5%
    - Indian market grew by 6.9%
    - AMET market de-grew by 9.2%
    - Performance Surfactants volume stood at 36,983 MT for Q3FY22, up by 1% on a YoY basis
    - Specialty Care Products volume stood at 21,044 MT for Q3FY22, down by 2.7% on a YoY basis
- EBITDA for Q3FY22 stood at Rs. 78.2 Cr as against Rs. 122.5 Cr in Q3FY21, down by 36.2% on a YoY basis
- EBITDA/MT stood at Rs. 13,468 for Q3FY22 as against Reported EBITDA/MT of Rs. 21,036 in Q3FY21, down by -36.0% on a YoY basis
- EBITDA/MT stood at Rs. 13,468 for Q3FY22 as against Normalized EBITDA/MT (excluding export incentives realized from Egypt) of Rs. 18,632 in Q3FY21, down by 27.7% on a YoY basis
- PAT stood at Rs. 45.6 Cr for Q3FY22 as against Rs. 85.2 Cr in Q3FY21 down by 46.5% on a YoY basis

9MFY22 Performance

- Total volumes stood at 1,76,706 MT for 9MFY22 as against 1,73,157 MT in 9MFY21, up by 2.0% YoY
    - ROW markets grew by 6.7%
    - Indian market grew by 11.4%

    - AMET market de-grew by 9.6%.
    - Performance Surfactants volume stood at 1,13,784 MT for 9MFY22, down by 0.6% on a YoY basis
    - Specialty Care Products volume stood at 62,922 MT for 9MFY22, up by 7.2% on a YoY basis
- EBITDA for 9MFY22 stood at Rs. 267.1 Cr as against Rs. 339.7 Cr in 9MFY21, down by 21.4% YoY basis
- EBITDA/MT stood at Rs. 15,114 for 9MFY22 as against Rs. 19,620 in 9MFY21, down by 23.0% YoY basis
- PAT stood at Rs. 164.4 Cr for 9MFY22 as against Rs. 223.5 Cr in 9MFY21 down by 26.4% YoY